LOCAL AND LEGISLATIVE SECRETARIAT.

Further development of the Local Boards.

READ—

Government Order No. 3005-55—Ml. 132-16-1, dated the 16th November 1916, passing orders on the development of Local Self-Government in Mysore.

2. Government Order No. L. 5395-457—Ml. 162-22-1, dated the 27th January 1923, directing the holding of a Local Self-Government Conference at Bangalore, to go into all questions connected with further development of Local Self-Government in the State.

3. Resolutions of the Local Self-Government Conference of 1923.

4. Government Proceedings No. 961-70—C. B. 67-23, dated the 24th September 1923, making arrangements for dealing with the above resolutions.

5. Part V (Decentralization and development of Local Self-Government) of Government Proceedings No. 1367-426—C. B. 100-23-1, dated the 27th October 1923, passing orders on the Report of the Reforms Committee.

ORDER No. L. 4542-71—L. B. 104-24-1, DATED 23RD DECEMBER 1924.

In their Order No. L. 5395-457, dated the 27th January 1923, summoning a Conference to deal with all questions connected with Local Self-Government in the State, the Government observed that under the Reforms Scheme extended powers would be given to Local Bodies to deal with local subjects and the time had come for reviewing the whole situation with a view to adopt measures for increasing the usefulness of the Local Bodies, improving their administration and finances and placing their system of working on a satisfactory basis. The Local Self-Government Conference which met at Bangalore on 24th April 1923, and the three following days, have submitted in all 48 resolutions dealing with the various aspects of the administration of Local Bodies constituted under the Regulations of 1918 and making certain recommendations for further improving the administration of these institutions. The resolutions relating to Municipal Councils are dealt with in a separate order. Some of the resolutions of a miscellaneous nature not bearing on questions of general policy are separately under consideration and a few have already been disposed of, the more important of these being the disposal of local subjects by District Boards and the revision of the constitution of the Committee for economic development work. In regard to the resolutions of the Conference relating to the constitution, functions and finances of District and Taluk Boards and Village Panchayets proposed to be dealt with in this order, a draft scheme was prepared and placed before the Standing Committee for Local Self-Government for examination, and a Memorandum explaining the general principles for giving effect to the proposed changes was also placed before the Representative Assembly in October last. The Government will now pass final orders on the general questions of policy involved.

I. VILLAGE PANCHAYETS.

2. The most important question urged for the consideration of Government in this connection is the establishment and the development of Panchayets with a view to advance rural Self-Government. Eleven resolutions of the Conference deal with the subjects of Village Panchayets, the most important of which are (1) that the existing Village Improvement Committees should be abolished, (2) that the Panchayets Scheme should be introduced into all rural areas, each single village or group of villages being constituted into a Panchayet, and (3) that it is desirable to invest the Panchayets with powers under the Village Courts Regulation. There are at present 833 Village Panchayets and 8,884 Village Improvement Committees and the remaining villages are without a proper village organisation. The Village Improvement Committees are for the majority of instances in a moribund condition and adequate attention has not been paid to the improvement of the condition of non-Panchayet villages owing to paucity of funds. Government agree with the resolution of the Local Self-Government Conference that the condition of non-Panchayet villages will not materially improve unless they are brought under the operations of the Village Panchayet Scheme. But they think at the same time that the scheme will not be able

to make any appreciable headway unless the finances of Panchayets are placed on a satisfactory basis in order to enable them to function efficiently. Government accordingly propose to deal with the constitution, finance and functions of Panchayets as follows:—

3. *Constitution.*—The recommendation of the Local Self-Government Conference regarding the abolition of the Village Improvement Committees and the introduction of the Panchayet system into all rural areas will be accepted and action taken to constitute on a statutory basis a Panchayet for every village or group of villages in the State. As regards the constitution of Panchayets, the Conference have recommended that the Panchayets be so constituted as to consist of the Yejamans or Elders of the village and if possible the head of each family. Government consider that it is not possible to provide for the inclusion of the head of each family in the Panchayet; but the constitution of Panchayets will be so arranged that the presence of Village Elders may be secured by nomination wherever convenient or necessary. The number of members of a Panchayet will ordinarily be not less than 5 and not more than 12 and where more villages than one are grouped, provision will be made to secure the due representation of the villages included in the group. At least one-half of the members of a Panchayet will be elected and in default of election, Government will have the right to fill up the vacancies by nomination. In the initial stages, the Chairman of the Panchayet will be nominated by Government and the right of election will be given when the Panchayets are well established and show satisfactory work.

4. *Functions.*—The duties to be assigned to the Panchayets will be classified as obligatory and optional and among the obligatory functions will be included (*a*) Village Sanitation including water-supply and (*b*) Village communications. Other functions of an administrative nature such as lighting of streets, control of pounds, provision of measures of public utility will be attended to by the Panchayets to the extent of the finances at their disposal. It shall be within the discretion of the Government to empower all or any of the members of a Panchayet to exercise the powers of a Village Court under the Village Courts Regulation, and to invest such of the Panchayets as they deem fit with powers under the Tank Panchayets Regulation and the Forest Panchayet Rules so as to enable a single agency to be responsible for Village Government in all its branches. The control over Muzrai Institutions and supervision over Village Elementary Schools may also be transferred to the Panchayets by the Government.

5. *Finance.*—The existing sources of Panchayet revenue consist of taxes on houses, shops and vacant sites and fines under the Cattle Trespass Act. The Local Self-Government Conference recommend that Village Panchayets should be called upon to supplement by taxation the contributions that may be made to them by Government to the extent necessary for the discharge of their obligatory duties. Government consider that there is much force in the Resolution of the Conference, for, the constitution of Panchayets without funds will not enable them to function efficiently and it is therefore necessary that the Panchayets should raise locally the funds required for the discharge of their obligatory and other duties. The new Panchayets will accordingly be required to levy taxes on houses, shops and vacant sites and hittals as in existing Panchayets and as a set off against this levy, rural mohatarfa throughout the State will be abolished. The Panchayets will, however, be empowered to exempt from taxation such persons or class of persons as they deem fit subject to rules to be framed by the Government. Grants for Village Improvements will be made by Government direct to the Panchayets instead of through the District Boards and Panchayets may, at their option levy other taxes, cesses and fees for discharging their functions satisfactorily. The Village Fund at the disposal of Panchayets will accordingly comprise the following items of revenue :—

(*a*) House-tax, shop-tax and tax on vacant sites and hittals.
(*b*) Other taxes, cesses and fees.
(*c*) Cattle-pound receipts.
(*d*) License fees.
(*e*) Fines.
(*f*) Contributions from private persons or local contributions.
(*g*) Income from and sale proceeds of properties of Panchayets.
(*h*) Grants from Government.
(*i*) Other items of revenue assigned by Government or accruing to the Panchayets.

6. *Control.*—In order that the Panchayets develop and work satisfactorily it is necessary to provide for close and efficient supervision. Experience gained in the past in the working both of the Village Improvement Committees as well as of the Panchayets has shown that official control and sympathy are essential in the initial stages and till such time as the Panchayets are firmly established and are able to realise the advantages of rural autonomy. It will, therefore, be necessary to invest the Amildar with the powers of control, inspection and supervision over the Panchayets. He will accordingly be appointed the immediate controlling authority over the Panchayets in the Taluk, subject to the general orders of the Deputy Commissioner. The budgets of Panchayets will be passed by the Amildar and orders passed by him on any matter will be subject to appeal to the Sub-Division Officer. To assist the Amildar in supervising the work of Panchayets, Government consider it necessary to appoint an Inspector of Panchayets for each Taluk for whose maintenance Village Panchayets will contribute. One of the chief functions of the Inspector will be to help the Panchayets in matters of sanitation and collection of revenues. The Amildar will submit annually a consolidated report on the working of Panchayets in the Taluk and the Sub-Division Officer will be required to review for each Taluk the administration reports of the Panchayets and submit the same to the Deputy Commissioner.

Although in the initial stages of the development of Panchayets, provision has been made for control by Government agency, Government do not propose to continue such control indefinitely. It is the object of Government eventually to transfer the control over these institutions to Local Boards.

II. TALUK BOARDS.

7. Under the Regulation of 1902, the Taluk Boards acted as agents of the District Boards and performed such duties and functions as were delegated and imparted to them. The Local Self-Government Committee of 1915 recommended that the Taluk Boards should be constituted as incorporated bodies with independent funds, with authority to frame their own budget and exercise all the functions of the District Boards within their own jurisdiction. The Committee also recommended that the area of the Taluk Boards need not necessarily be the revenue Taluk, but may comprise one or more Taluks. Government decided to continue the revenue Taluk as the Unit for Local Board purposes, but accepted generally the recommendations of the Committee regarding powers and functions of these Boards. Thus constituted, the Taluk Boards have been attending to the following services :—

(*a*) Conservancy and Sanitation.
(*b*) Medical relief.
(*c*) Vaccination.
(*d*) Cattle-pounds.
(*e*) Accommodation for travellers.

To enable the Taluk Boards to attend to these functions the following items of revenue were placed at their disposal exclusively :—

(1) Fifty per cent of the local cess raised in the Taluk.
(2) Cattle-pound receipts in non-panchayet areas.
(3) Rents and fines leviable under Section 38.
(4) Fees for the use of cart stands and public places during fairs and festivals; and
(5) Other receipts of a miscellaneous nature.

Experience gained in the working of the Taluk Boards has shown that the distribution of the revenues as indicated above has not proved satisfactory. Under this arrangement as many as 32 Taluk Boards show deficits amounting to a total of Rs. 29,000 while 44 Taluk Boards possess a total surplus of Rs. 75,500. The deficit Taluk Boards are being met by the District Boards out of the resources at their disposal to the detriment of the larger services in the District while the diffusion of the surplus in the surplus Taluk Boards leaves the District Boards helpless in the matter of concentrating funds for large works of public utility such as construction of bridges, roads and hospitals, etc. Further, it is observed that the financial independence thus extended to the Taluk Boards has not enabled them to secure either greater efficiency in the services rendered or to undertake works of public utility on any

appreciable scale. No blame attaches to the Taluk Boards themselves for such a state of affairs; for, in the present state of Local Board finances it is not possible to expect initiative or enterprise on a large scale in small areas. The result, therefore, has been that the Taluk Boards are doing within their jurisdiction what the District Boards were originally doing under the Regulation of 1902, while the favourable financial balances which the latter could command after meeting their recurring expenditure on the necessary services under the old order of things have been distributed with no practical advantages. Further, with the introduction of the Village Panchayet Scheme into all the villages in the State the District Boards will suffer a heavy diminution in their ordinary income by the abolition of the mohatarfa taxes. The receipts from rural mohatarfa amount to nearly Rs. 2,30,000 annually out of the local fund income of Rs. 12,25,000. Out of a total expenditure of Rs. 2,83,000 on services incurred by Taluk Boards as much as Rs. 91,000 is spent on Office Establishments and Administration, Rs. 9,400 on Sanitation and Conservancy and the remaining amount on such services as Medical Relief, Vaccination, Cattle-pounds and Accommodation for travellers. With the important services of conservancy and sanitation and the control of cattle-pounds in rural areas made over to Panchayets under the new scheme, there will be practically nothing left for the Taluk Boards to administer as services such as medical relief and vaccination being technical services cannot wholly be under the control of these bodies. Further, these are services which are in a sense District services and should be under the control and supervision of the District Boards themselves. The scope for exercising an educative influence in rural areas which the Taluk Boards possessed will henceforward be within the province of the Panchayets. In view, therefore, of the limited scope for work and the diminished finances of Local Boards, Government are of opinion that it would be advantageous to abolish the Taluk Boards without in any way prejudicing the further progress of Local Self-Government in the State.

The question of the abolition of the Taluk Boards was also considered at great length by the members of the Representative Assembly at the last Session and a great majority were in favour of their abolition. Government are accordingly pleased to direct the abolition of the Taluk Boards from a date to be notified later on and the necessary readjustment of Local Board finances and functions as indicated above.

III. DISTRICT BOARDS.

8. *Constitution and functions.*—The District Boards constitued as at present consist of elected and nominated members, the number of elected members being not less than two-thirds of the strength of the Boards. Under the existing rules each Taluk Board returns generally two members by election to the District Board. With the abolition of Taluk Boards, members to District Boards will be returned by direct election from the Taluks and this will be in accordance with the resolution of the Local Self-Government Conference in this connection. The Conference also recommended that it is not necessary to have representatives of Municipal Councils on District Boards: Government agree that the representatives of Municipal Councils on these Boards is not indispensable and are pleased to accept the recommendation of the Conference. As regards franchise, the Conference recommend that it should be extended to women. The recommendation will be accepted and women will be entitled to vote at elections, but they will not, for the present, however, be eligible for election. The Conference also recommend the franchise qualifications should be the same as in the case of elections to the Representative Assembly. Government accept this resolution also and action will be taken to give effect to these decisions. The question of direct election of Presidents of District Boards by the general body of voters instead of by the Boards themselves will have to be deferred for the present and taken up for consideration only after watching the effect of the experiment in the case of such of the Municipal Councils to which the principle in question may be extended. As regards the functions of the District Boards, they will continue much the same as heretofore, but with the additional responsibility in respect of satisfactory arrangements for the due performance of the Taluk, inter-Taluk and inter-village services under sanitation, communications and medical relief.

9. *Finance.*—The present normal income of the District and Taluk Boards amounts to about Rs. 12·25 lakhs a year against a normal expenditure of Rs. 10·30

lakhs and consists besides the allotment of local cess, tolls and other miscellaneous items of revenue, of rural mohatarfa and cattle-pound receipts. By the abolition of the Taluk Boards and the constitution of Village Panchayets throughout the State, the District Boards will lose a net income of Rs. '21 lakhs from cattle-pounds and Rs. 2·30 lakhs by the abolition of mohatarfa. As against this loss, the District Boards will be relieved of the obligation to find a sum of Rs. '29 lakhs to meet the deficit of the deficit Taluk Boards and save a sum of about Rs. 1·85 lakhs by the transfer of conservancy and sanitary charges to the Panchayets and the abolition of the Taluk Board Office Establishment and other charges. Under the revised scheme, the normal income of the District Boards will be about Rs. 9·5 lakhs and the expenditure about Rs. 8·2 lakhs. The financial position of the District Boards will thus be no worse than before, notwithstanding the loss on account of mohatarfa and the transfer of cattle-pound to Panchayets. The entire surplus will be available to the District Boards to be used for works of public improvement. It is difficult to devise fresh sources of income or taxation as the revenues are inelastic.

With a view, however, to improve local finances, the Conference recommended the levy of taxes on goats, pigs, arms and hides. The question of levying a tax on goats and sheep was brought up for consideration at the last session of the Representative Assembly and it was seen that the majority of the members were not in favour of such additional taxation. Government accept this view. Government, however, feel that some perceptible improvement in the revenues of Local Boards could be effected by proper management of toll-gates and markets. Some additional revenue can also be secured by developing the income derivable from license fees in respect of offensive and dangerous trades or by subjecting to the payment of a suitable fee on heavy motor vehicles plying for hire on District Fund roads.

The question of the levy of education cess by the District Boards throughout the State has met with some opposition in a few districts. The levy of the cess has been agreed to by five out of the eight District Boards and it is being levied by them accordingly. In two of the remaining three districts, the great majority of the Taluk Boards agreed to the levy, but the proposal failed as the required percentage of members on the District Boards did not agree. In their Resolution No. XLV, the Local Self-Government Conference with a view to overcome this difficulty have recommended that the Local Boards Regulation should be suitably amended so as to empower the Taluk Boards to levy education cess subject to such conditions and limitations as the Government may deem fit to impose. Having regard to the fact that primary education will eventually be transferred to the District Boards, Government think that the levy of the cess should be made obligatory in all districts. Legislation to secure this object is urgently called for and will have to be undertaken in due course.

10. *Control.*—In their Resolution No. XIX, the Local Self-Government Conference have proposed that the Deputy Commissioner should have certain additional powers besides those now exercised with a view to provide for his inspection of the offices of the Local Boards and for calling for the records of any case either on his own motion or on the application of an aggrieved party and if satisfied that the order or proceedings of the Board and its executive is wrong or contrary to law, submit the records of the case with his opinion to the Government for such orders as they deem fit to pass. Government agree with the resolution of the Conference and they think that it is necessary at least for some time to come for the proper working of the Boards that the Deputy Commissioner should be invested with such power.

11. *Periodical transfer of Local Fund Employees.*—The question of the periodical transfers of employees under Local Bodies in order to maintain efficiency in those services has been strongly urged for the consideration of Government. At the last Session of the Representative Assembly, the House considering the advantages to be gained by such transfers agreed that to give effect to the scheme it was necessary to entertain in Local Board Offices only lent officials from Government service and to this extent they were prepared to curtail the power of patronage exercised by the Presidents. A scheme for giving effect to this recommendation is under the consideration of the Government and early orders will be passed in the matter.

12. *Separate Engineering Establishment for Local Fund Works.*—One of the important Resolutions of the Conference is that relating to the appointment of a

separate Engineering Establishment for Local Fund Works. The District Boards of Kadur, Shimoga and Tumkur are not in favour of any change in the existing arrangements while those of Bangalore, Kolar, Hassan and Mysore are in favour of the proposal. The existing Public Works Establishments were based on the system of combined jurisdiction towards which the District Boards pay a contribution, and the Government at present are not satisfied that the establishment of another Engineering staff to attend to Local Fund Works will be conducive to any greater efficiency.

13. *General.*—In order to ensure that the Taluk, inter-taluk, and inter-village services are not neglected and that the other functions of the District Boards are efficiently carried on, Government consider that it is desirable that the President of each District Board should be assisted by a Chief Officer and that the District Boards should make suitable provision for such an appointment. The Chief Officer will devote his whole time and attention to the performance of executive functions of the Board and will be responsible for the correct maintenance of accounts and efficient working of the District Board Office.

14. *Conclusion.*—In this Order, the Government have indicated the general lines of policy for the future development of Panchayets and District Boards in the State. It will be observed that the principal object aimed at in the order is to place the system of village administration on an efficient and satisfactory basis. Towards this end, it has been found necessary to make statutory provision for the establishment of Panchayets in all the villages in the State giving them a certain amount of autonomy in the management of their own affairs. As for sometime to come these infant institutions will require to be carefully nurtured and supervised so that they may develop and prosper on healthy lines, provision has been made for their control by the officers of the Revenue Department, helped by Inspectors of Panchayets to be specially appointed for the purpose. With the Panchayet system in force throughout the State, and with a view to place the finances of the District Boards in a satisfactory condition, it has become necssary to decide upon the abolition of the Taluk Boards. The removal of the intermediary agency of the Taluk Boards leaves the District Boards a free hand in developing the larger local interests in the districts, while securing to them greater control over their finances and concentration of funds in their hands. Government earnestly hope that the scheme outlined above will receive the full support of the rural population of whose amelioration it has been undertaken and that it will be worked in a spirit of co-operation and confidence. Necessary action will be taken to introduce legislation in the matter at an early date.

B. NAGAPPA,
Secretary to Government,
Local and Legislative Departments.

Further Improvements in Municipal Administration.

READ—

Government Order No. 3005-55—Ml. 132-16-1, dated 16th November 1916, passing orders on the scheme for the development of Local Self-Government in Mysore.

2. Government Order No. R. 4050-60—Ml. 98-19-1, dated 22nd September 1919, passing orders on the regularisation and development of Municipal Taxation in the State.

3. Government Order No. L. 5395-5457—Ml. 162-22-1, dated 27th January 1923, directing the holding of a Local Self-Government Conference at Bangalore to go into all questions with a view to further develop Local Self-Government in the State.

4. Resolutions of the Local Self-Government Conference of 1923 relating to Municipalities.

5. Government Order No. L. 30-47—Ml. 93-23-4, dated 3rd July 1924, sanctioning the revision of the Mysore Municipal Account Manual and stating that separate orders will issue on the proposals of the Committee to consider the revision of the Manual in regard to administrative matters relating to Municipalities.

6. Suggestions of the Committee appointed to revise the Municipal Account Manual in regard to administrative matters in respect of Municipalities.